

Message Text

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ACTION STR-04

INFO OCT-01 EUR-12 ISO-00 STRE-00 EB-07 AGR-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 SP-02 TRSE-00 CIEP-01

FRB-03 OMB-01 AF-08 ARA-06 EA-07 NEA-10 L-03 SS-15

NSC-05 PA-01 PRS-01 USIA-06 /109 W
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FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 4134

INFO USMISSION EC BRUSSELS

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E.O.11652: N/A

TAGS: ETRD, UK, EC

SUBJECT: TEXTILES: EC RESIDUAL RESTRAINTS AGAINST
INDIA, PAK AND HONG KONG

REF: STATE 186473

1. ECONOMIC COUNSELOR MET WITH DEPARTMENT OF TRADE
DEPUTY SECRETARY GRAY TO URGE UK TO LIVE WITH TSB
RECOMMENDATIONS FOR THE ELIMINATION OF RESIDUAL EC
RESTRICTIONS ON TEXTILES IMPORTED FROM INDIA, PAKISTAN
AND HONG KONG. GRAY WAS FULLY EXPECTING OUR PRESENTA-
TION, PRESUMABLY HAVING BEEN FOREWARNED BY SHARP, AND
WITHOUT ANY FANFARE SAID THE SITUATION WAS AWKWARD BUT
UK WOULD ACCEPT THE TSB CONSENSUS AND LIVE WITH IT.
2. GRAY MADE IT CLEAR THAT THIS POSTURE WOULD PRESENT
PROBLEMS FOR THE GOVERNMENT. HE SAID OFFICIALS WOULD TRY
TO KEEP TEMPERATURES DOWN NOW AND MOVE IN THE AUTUMN.

THE IMPROVED ECONOMIC
AND EMPLOYMENT PICTURE AT THAT TIME WILL, HOPEFULLY,
MAKE THE JOB A LITTLE EASIER.

3. WE ALSO MENTIONED U.S. DESIRE TO QET MFA EXTENDED

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AND ASKED ABOUT LATEST UK

THINKING ON THIS ISSUE. GRAY RESPONDED THAT IT WAS OBVIOUSLY IN BOTH OUR INTERESTS TO EXTEND THE ARRANGEMENT. HE CONFIDED THAT THERE IS A DEBATE GOING ON WITHIN THE GOVERNMENT AND THAT THERE IS NO AGREED POSITION YET, BUT SAID UK WOULD PROBABLY WANT (A) A "RECESSION CLAUSE" ALLOWING REDUCED IMPORTS WHEN A DEVELOPED COUNTRY HAD ECONOMIC PROBLEMS, AND (B) AN OVERALL LIMIT ON IMPORTS THE DEVELOPED COUNTRIES WOULD ACCEPT. SPEAKING TACTICALLY, HE URGED US NOT TO TELL THE UK NOW TO EXTEND THE MFA AS IT IS. IN FURTHER CONVERSATION, HOWEVER, HE IMPLIED MFA MIGHT END UP BEING EXTENDED LARGELY AS IT IS, AND THAT THE DEVELOPED COUNTRIES WOULD THEN HAVE TO BE MORE "CREATIVE" IN THE APPLICATION OF ITS DEFENSIVE FEATURES.

ARMSTRONG

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: TEXTILES, POLICIES, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON11925
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760295-0331
From: LONDON
Handling Restrictions: n/a
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ISecure: 1
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Margaret P. Grafeld
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